

Congressional Hearings
March 25, 2014 - Final

House Appropriations Defense Subcommittee Holds a Hearing on Navy and Marine Corps
Budget for Fiscal 2015

FRELINGHUYSEN:

The committee will come to order.

If our guests will take their seats, we'll get the show on the road. I want to thank everybody for being here so promptly.

This morning, the committee conducts an open hearing on the posture and budget request for the Department of Navy. I'd like to welcome Secretary of the Navy Ray Mabus, Chief of Naval Operations Admiral Jonathan Greenert, Commandant of the Marine Corps General James Amos.

Welcome to you all and thank you for being here this morning. I'm sure I can speak for every member of the committee in thanking you for your valuable service to our nation and to the men and women you represent that are serving around the world as we gather here.

Gentlemen, this Committee has constantly heard about all the difficult choices that had to be made to prepare the fiscal year 2015 Defense budget. Your choices set the state for the difficult decisions that lie ahead for this Committee in coming weeks.

The Committee is anxious to hear from you this morning on how your budget request will deter future conflicts with fewer Marines, fewer ships, and a smaller naval presence in parts of the world where our adversaries -- potential adversaries are expanding their military capabilities every day.

We are aware that China plans a 12 percent increase in military spending in 2014 and has already delineated areas where they challenge our naval power and that of our Allies every day.

As my predecessor, Congressman Bill Young, would constantly remind, it's all about risk and how much more we are all creating as a result of continuing resolutions and sequestration.

So let's take advantage of the regular order we have and the time we have it, and make sure that we can do what we can to make sure we have regular order into the future.

And gentlemen, this Committee realizes that all the rebalancing and re-pivoting to the Pacific in the size and capability of the Fleet are dependent on an industrial base that needs to be as robust as we can make it. And we can talk about that later. I think that's important to all of us.

I'm also somewhat alarmed about the frequency of reported misconduct by some members of the Navy leadership teams. Just since the beginning of this year, we've been notified of nine separate commanding officers, executive officers, or command master chiefs being removed from their leadership position for some type of misconduct.

That is a disturbing frequency of nearly one incident per week.

And then there's the suspension of the 30 nuclear reactor instructors and the shutdown of the Navy's reactors in Charleston in connection with an exam cheating scandal.

I think you know that both Mr. Visclosky and I, we're very much involved in the Energy and Water Committee and committed to naval reactors. So I think it's important at some point in time we explore what's going on there. There really hasn't been any reports since that situation was uncovered.

And I'd also like to add, as somebody who served on the Naval Academy Board of Visitors, I still have the sense that the institution needs to do more to address the whole issue of sexual assault and sexual harassment.

I was very unhappy on serving on that board, from time to time, when we addressed the issue, we'd do it briefly in public and then we went into executive session.

I think I can say on behalf of all of us here, that the men and we -- the men and women that we nominate, we're enormously proud of. They represent the best of America. And I'm not sure that everything is in place to eliminate that type of behavior. And I hope we have some level of reassurance here this morning.

Despite these challenges, as we've always done in the past, this Committee will work hard to assure the Navy and our Marine Corps are ready and able to conduct their very important missions. This year, more than ever, we'll have to work together to assure the best possible budget outcome.

I'd like to yield the floor to Ms. McCollum, if she has any comments she might wish to make on behalf of Mr. Visclosky or herself.

MCCOLLUM:

Well, thank you, Mr. Chair. And on behalf of those of us on the other side of the aisle who serve on this Committee, we thank you for your openness. We thank you for your leadership. And your statement reflects many of the shared, common interests and goals that we want out of this hearing.

We especially appreciate our comments on sexual abuse and the scandals involving cheating and other things throughout the military, but within the Navy as well.

So thank you very much, Mr. Chair.

Gentlemen, thank you for being here, Admiral, Mr. Secretary, and General Amos. We work alongside of you as -- in our role to protect and defend our country. I look forward to hearing the Q&A that will result after your testimony.

Thank you for submitting your testimony earlier so that my colleagues who are in other Committees right now will be fully prepared when they attend the meeting to ask their questions.

Thank you, Mr. Chair.

FRELINGHUYSEN:

Thank you, Ms. McCollum.

Mr. Secretary, the floor is yours. And your -- your comments will be, of course, a matter of the public record, so the floor is yours.

MABUS:

Thank you.

Sorry. Very -- it's very early in the investigative process and of course we will keep this Committee apprised of any information that we -- we learn about -- about this sad case, so.

Chairman Frelinghuysen, Congresswoman McCollum, members of the Committee, I want to first thank you for your support of the Department of the Navy, our sailors, our Marines, and our civilians, and their families.

General Amos, commandant of the Marine Corps, and Admiral Greenert, the chief of naval operations, and I couldn't be prouder to represent those courageous and faithful sailors, Marines, civilians.

These men and women serve their nation around the world with skill and dedication no matter what hardships they face, no matter how far they are from home and from their families.

And I want to take a -- just a personal moment here. This will be Commandant Amos's last posture hearing before -- before this Committee. Just to say what a high privilege it has been to serve with Jim Amos as the Commandant of the Marine Corps.

The architects of our Constitution recognized the inherent value of the United States Navy and Marine Corps. Article I, Section 8 gave Congress the responsibility to provide and maintain a Navy because our founding fathers knew that the nation needed a naval force to operate continuously in war and in peace.

Over two centuries ago, the United States had a crucial role in the world and today that role is exponentially larger. Whether facing high-end combat, asymmetrical threats, or humanitarian needs, America's maritime forces are ready and present on day one of any crisis for any eventuality.

In today's dynamic security environment, naval assets are more critical than ever. In military terms, they provide presence -- presence worldwide. They reassure our partners that we are there and remind potential adversaries that we are never far away.

This presence provides immediate and capable options for the commander in chief when a crisis develops anywhere in the world.

In the past year, our naval forces have operated globally from across the Pacific to the continuing combat in Afghanistan, and from the Gulf of Guinea to the Arctic Circle.

The 2012 Defense Strategic Guidance and the recently released QDR are both maritime in focus and require presence of naval forces around the world.

Four key factors make that global presence and global action possible. These four factors -- people, platforms, power, and partnerships -- have been my priorities during my tenure as Secretary, and they have to continue to receive our focus looking ahead.

In our fiscally constrained times, we have used these priorities to help balance between the readiness of the force, our capabilities, and our capacity. Our people are our biggest advantage and we have to ensure that they continue to get the tools they need to do their jobs.

In compensation, we've increased sea pay to make sure those sailors and Marines deployed aboard ship are appropriately recognized.

However, this budget also seeks to control the growth in compensation and benefits which threaten to impact all areas of our budget. If this is not addressed, as Admiral Greenert puts it, the quality of work for our sailors and Marines will almost certainly decline.

Shipbuilding and our platforms remain key elements of our maritime power and a focus of this Committee. The number of ships, submarines, and aircraft in our fleet is what gives us the capacity to provide that global presence.

While we have the most advanced platforms in the world, quantity has a quality all its own. I think it's important to understand how we got to our current fleet size.

On September 11, 2001, the fleet stood at 316 ships. By 2008, after one of the great military build-ups in American history, that number dropped to 278 ships.

In the four years before I took office as Secretary, the Navy put 19 ships under contract. Since I took office in May of 2009, we have put 60 ships under contract, and by the end of this decade, our plan will return the fleet to 300 ships.

We're continuing our initiative to spend smarter and more efficiently, which are driving down costs through things like competition, multi-year buys, and just driving harder bargains for taxpayer dollars.

Power, our energy, is a national security issue and it's central to our naval forces and our ability to provide presence. Dramatic price increases for fuel threaten to degrade our operations and training and could impact how many platforms we can acquire.

Having more varied, stably priced, American-produced sources of energy makes us better war fighters. From sail to coal to oil to nuclear, and now to alternative fuels, the Navy has led in energy innovation.

MABUS:

Since the end of World War II, U.S. naval forces have protected the global commons to maintain the foundation of the world economy. In today's complex environments, partnerships with other nations, evidenced by things like interoperability, by exercises, and by operations, continue to increase in importance.

The Navy and Marine Corps by Navy -- by nature of their forward presence are naturally suited to develop these relationships, particularly in the innovative, small footprint ways that are required.

With the fiscal year '15 budget submission, we are seeking within the fiscal restraints imposed to provide our Navy and Marine Corps with the equipment, the training and the other tools needed to carry out our missions that the nation needs and expects from them.

There are never any permanent homecomings for sailors and Marines. In peace time, wartime and all the time, they remain forward deployed, providing presence and providing whatever's needed for our country.

This has been true for 238 years and it is our task to make sure it remains true now and in the future.

Thank you.

FRELINGHUYSEN:

Thank you, Mr. Secretary.

Admiral Greenert, good morning and thank you for being with us.

GREENERT:

Thank you Mr. -- Chairman Frelinghuysen and Congressman -- excuse me, Ranking Member Visclosky.

Distinguished members of the committee, I'm proud to represent 633,000 sailors, Navy civilians and their families, especially the 50,000 deployed and operating forward around the globe today.

The dedication and resilience of our people continue to amaze me, Mr. Chairman. And the citizens of this nation can take great pride in the daily contributions of their sons and daughters in places that count.

I, too, like Secretary Mabus just passed, would like to offer my condolences to the family and the friends and the shipmates of the sailor who was killed in last night's shooting. The sailors, particularly those of the USS Mahan, are our -- are in our thoughts and prayers today, as well as the entire Norfolk Naval Station family.

Mr. Chairman, it's an honor to testify today for the first time under your leadership of the committee. And I'm also, as -- as Secretary Mabus said, proud to appear this morning beside him and General Amos.

Your Navy-Marine Corps team is united in fulfilling our longstanding mandate to be where it matters, when it matters and to be to respond to crises to ensure that the stability that underpins the global economy is in place.

General Amos has been a great shipmate. Our services' synergy of effort has never been better and I am committed to continuing that momentum.

Secretary Mabus has provided us the vision, the guidance and the judiciousness to build the finest Navy and Marine Corps that this nation is willing to afford.

Mr. Chairman, forward presence is our mandate. We operate forward to give the president options to deal promptly with contingencies.

As we conclude over a decade of wars and bring our ground forces home from extended stability operations, your naval forces will remain on watch.

The chartlet that I provided in front of you has the Navy today -- shows the global distribution of the deployed forces, as well as our bases and our places that support them.

Our efforts are focused in the Asia-Pacific and the Arabian Gulf, but we provide presence and respond as needed in other theaters, as well.

Now, with this forward presence, over the last year, we were able to influence and shape decisions of leaders in the Arabian Gulf, in Northeast Asia and the Levant.

We patrolled off the shores of Libya, Egypt and Sudan to protect American interests and to induce regional leaders to make the right choices.

We relieved suffering and provided assistance and recovery in the Philippines in the wake of a devastating typhoon.

Our presence dissuades aggression and coercion against our allies and friends in the East and the South China Seas.

We kept piracy at bay in the Horn of Africa and we continue to support operations in Afghanistan while taking the fight to insurgents, terrorists and their supporting networks across the Middle East and Africa with our expeditionary and our special operations forces.

The 2014 budget will enable us an acceptable forward presence. Through the remainder in fiscal 2014, we'll be able to restore fleet training, maintenance and operations and recover a substantial part of the 2013 backlog caused by that tough year -- and I thank this committee for its support.

The president's 2015 budget submission enables us to continue to execute these missions, but we will face high risk in specific missions, and those -- those that are articulated in the Defense Strategic Guidance, and I've laid that out in my written statement to you.

Our fiscal guidance through the FYDP -- that's the future-year defense plan -- for the President's Budget '15 is about halfway between the Budget Control Act caps and our present -- our Pres Bud '14 plan. And that represents a net decrease of \$31 billion, versus Pres Bud '14.

So, to prepare our program within these constraints, I set the following six priorities: number one, a sea-based strategic deterrence; number two, forward presence; number three, the capability and capacity to win decisively; four is readiness; five, asymmetric capabilities and maintaining technological edge; and six, as you articulated, sustaining a relevant industrial base.

Using these priorities, we built a balanced portfolio of capabilities within the fiscal guidance provided. We continue to maximize our presence in the Asia-Pacific and the Middle East using innovative combinations of rotational, forward basing and forward stationing forces.

We still face shortfalls in support ashore and a backlog in facilities maintenance that will erode the ability of our bases to support the fleet.

We have slowed modernization in areas that are central to remain ahead of or keep pace with technologically advanced adversaries.

Consequently, we face higher risk if confronted with a high-tech adversary or if we attempt to conduct more than one multi-phase major contingency simultaneously.

I'm troubled by the prospects of reverting to Budget Control Act revised caps in 2016. That would lead to a Navy that is just too small and lacking the advanced capabilities needed to execute the missions that the nation faces and is expected -- and that it expects -- expects of its Navy.

We would be unable to execute at least four of the 10 primary missions articulated in the Defense Strategic Guidance in the Quadrennial Defense Review if we reverted to those caps.

Looking at the -- at the back of the chartlet that I provided to you, you can see our ability to respond to contingencies and that they would be dramatically reduced, limiting our options and our decision space; and we would be compelled to inactivate an aircraft carrier and an air wing.

Further, as you can see there, our modernization and our recapitalization would be dramatically reduced, threatening the readiness and threatening our industrial base.

Reverting to the BCA caps year-by-year will leave our country less prepared to deal with crises. Our allies' trust will wane and our allies will be less inclined -- excuse me -- our enemies will be less inclined to be dissuaded or to be deterred.

Mr. Chairman, I remain on board with the efforts to get the fiscal house in order. I look forward to working with this committee to find solutions that enable us the sustained readiness while building an affordable but a relevant future force.

This force has to be able to address a range of threats, contingencies and high-consequence events that could impact our core interest.

I appreciate the opportunity to testify today. Thank you for your continued support and this committee's continued support. I look forward to the questions.

FRELINGHUYSEN:

Thank you, Admiral Greenert.

General Amos, thank you for your decades of service; of course, you as well, Admiral Greenert.

But this is your last hearing. But thank you for standing strong, representing the Marines; and the floor is yours.

Thank you so much.

(CROSSTALK)

AMOS:

Thank you, sir (ph).

Chairman, I'm not sure it's my last hearing all total (ph), but...

FRELINGHUYSEN:

Maybe before this committee, but...

AMOS:

But if you can give me a waiver, I'd be happy to...

FRELINGHUYSEN:

We'd be happy to give you a waiver.

AMOS:

To sign a CHIT form here or something like that.

FRELINGHUYSEN:

Be happy to.

AMOS:

Anyway, Mr. Chairman, Ranking Member Visclosky, members of the committee, it's good to be here today; and -- and thanks for the opportunity to tell you a little bit about your Marine Corps as we move into the next year.

Since our founding in 1775, Marines have answered the nation's call, faithfully protecting the American people and maintaining a world class standard of military excellence.

Nothing has changed. We will continue to do the same in the future.

And yet, we find ourselves at a strategic inflection point. After 12 years of war, we are drawing down our forces in Afghanistan, resetting our institution and reawakening the soul of our Corps.

Today, we are challenged by fiscal uncertainty that threatens both our capacity and capabilities, forcing us to sacrifice our long-term health for near-term readiness.

As I have testified before many times, despite these challenges, I remain committed to fueling the most capable and ready Marine Corps that the nation is willing to pay for.

Our greatest asset is the individual Marine -- the young man or woman who wears my cloth. Our unique role as America's signature crisis response force is grounded in the legendary character and warfighting ethos of our people.

As we reset and prepare for future battles, all Marines are rededicating themselves to those attributes that carried Marines across the wheat fields and into the German machine guns at Belleau Wood in March of 1918.

Those attributes that enabled raw and combat inexperienced young Marines to courageously succeed against a determined enemy and America's first offensive operation in the Pacific -- the attack at Guadalcanal on August the 7th, 1942.

And lastly, those timeless strengths of character and gut courage that enabled Marines to carry the day (ph) in an Iraqi town named Fallujah, and against a determined enemy in the Taliban strongholds of Marja and Sangin.

Your Corps is rededicating itself to those timeless attributes. There are simply just four of them: Persistent discipline; faithful obedience to orders and instructions; concerned and engaged leadership 24 hours a day, seven days a week; and strict adherence to established standards.

These ironclad imperatives have defined our Corps for 238 years. They will serve us well in the decades to come.

As we gather here today, some 30,000 Marines are forward deployed around the world, promoting peace, protecting our nation's interest and securing our defense. But we don't do this alone.

Our partnership with the Navy provides America an unmatched naval expeditionary capability that's forward deployed.

Our relationship with the Navy is a symbiotic one. My relationship with Admiral Jon Greenert is, quite frankly, unprecedented.

This is why I share the CNO's concerns about the impacts associated with our marked paucity of capital ships -- shipbuilding funds.

America's engagement throughout the future security environment of the next two decades will be naval in character -- make no mistake. To be forward engaged and to be present when it matters most, we need capital ships; and those ships need to be loaded with United States Marines.

Expeditionary naval forces are our nation's insurance policy. We're a hedge against uncertainty in an unpredictable world.

AMOS:

The Navy and Marine Corps team provides power projection from the sea, responding immediately to crisis when success is measured in hours, not in days.

From the typhoon that tragically struck the Philippines last fall, to the rescue of the American citizens in South Sudan over Christmas, forward-deployed Naval forces were there. We carried the day for America.

As the joint force draws down, and we conclude combat operations in Afghanistan, some argue that, well, we are done with conflict. My view is different. As evidenced in the events partly unfolding in Central Europe today, the world will remain a dangerous and unpredictable place. There will be no peace dividend for America, nor will there be a shortage of war for its United States Marines.

Ladies and gentlemen, we will not do less with less. We will do the same with less. In closing, you have my promise that we will only ask for what we need. We will continue to prioritize and make those hard decisions before ever coming to you and this committee.

Once again, I thank the committee for your continued support for its Marines, and I'm prepared to answer your questions.

FRELINGHUYSEN:

Thank you, General Amos. And I was remiss not extending the condolences of our entire committee to the loss of that sailor at Norfolk, and to his family, and obviously, to the Navy family.

I'd like to yield the floor to Mr. Crenshaw for the first question.

CRENSHAW:

Thank you, Mr. Chairman. And let me, in my words, welcome three true friends of the subcommittee. And I've worked with each of you all, and developed what I would describe as a trusted working relationship, indeed, a friendship. I'm grateful for that, and I know the subcommittee's grateful for the work that you do, the dedication to the future of our Navy.

And I want to say just a personal word of thanks for visiting Northeast Florida, both of you, Admiral Greenert and Secretary Mabus. I know you were in Northeast Florida, Southeast Georgia, over the last couple of weeks. And you know how Navy-friendly those communities are.

And I want you to know it's a big deal when you all take the time to not only visit the men and women in uniform, but the communities that support them. And that gives them a sense of where your commitment is to the future of the Navy.

One of the things I wanted to kind of talk a little bit about, we've worked on aircraft, we've worked on ships, we've worked on submarines. But I must say, when I saw the proposed budget, it raised some questions about some of the programs that we worked on, like the P-8 Poseidon program, where eight aircraft are being dropped. The E-2D Hawkeye -- Advanced Hawkeye, one of those is being dropped.

When you look at how are we going to replace the Ohio-class submarines, what are we going to do about prepositioning ships Marines have, what about the amphibs, questions about that. But Chairman runs a pretty tight ship, so we don't have time to talk about all of that. But I would like to continue that conversation as we develop the subcommittee final work.

But I would like to talk about just the heart and soul of the Navy, and that's ships. And the first question comes, Secretary Mabus, when you sent up the budget, you also sent up a new way to count ships. And for the first time that I know of, you're going to count ships that haven't been counted as part of the count.

And I know the Navy always has a problem making sure that we keep our ship count up, because numbers matter. We talk about that. And so when you count ships you haven't count before, then you get to increase the size of the fleet without going out and buying a new ship.

And I guess at a time when there's a talk about decommissioning an aircraft carrier, there's talk about laying up cruisers. Skeptical people might say is this just a coincidence that you decided you were going to count ships that you didn't count before, while maybe that takes some of the attention away, some of the other things that are going on.

So I guess my first question, just common sense, what -- what drove you? What goes behind that decision to decide to count ships, like I guess a hospital ship that hadn't been counted as part of that battle group, or battle force. What went into that thinking?

MABUS:

Well, first, Congressman Crenshaw, we talked about this last year. And the Navy always takes a look at how we do -- how we do our ship counts. We changed it several times over the past decade or so.

The short answer to why we made this change, was it was the ships that were requested by combat commanders, so ships that were requested to be forward-deployed. And we've also taken some ships out in this count.

And two examples are, we've taken nine countermeasure ships that are now forward-deployed out of the count. We put patrol craft that are forward-deployed that have been up-armored and up-gunned, and are now on patrol in, particularly, the Arabian Gulf, onto this, because this is requested by the combat commander.

And one of the things I told this committee last year, was that if we did this, we were going to be completely transparent. So when you get the 30-year shipbuilding plan, you're going to get the old counting rules and the new counting rules. And when I say we're going to get the fleet to 300 ships, I'm using the old counting rules.

CRENSHAW:

Let me -- like for instance, I want to ask you about the cruisers, because there's also, in the budget, a proposal to, I guess, lay up -- I don't know exactly what that means -- but lay up 11 cruisers. And I guess -- I guess they'll still be counted.

But here's the question: The last two years, the Navy said, "We're going to decommission seven cruisers."

And this subcommittee, trying to be cost-efficient, has said, common sense will tell you if you've got some ships that have useful life remaining, then maybe, rather than decommission them, it might be wise to modernize them, upgrade them, and then they'd stay in the fleet.

And as you know, we put that in our appropriations bill, and said, "Do that."

And this year, it was kind of a surprise when we say you should modernize them, then we -- I guess this year, at least you didn't say, "We're going to decommission them," but you did say, "We're going to take 11 cruisers, and put them in," what's called, I guess, "a layup," and kind of a phased modernization.

As I understand it, that average time would be nine years. Some would be modernized in five years, some would be modernized in 12 years. But if you're going to phase in this modernization, it seems like that's a long time to have these cruisers out of service. I assume they're tied up somewhere with no crew, and the weapon systems, et cetera.

So I guess my question is, is -- is that, you think, the best use of the money that we appropriated? And I guess, what assurance does this subcommittee have that -- it's almost like one foot in the grave. You say we're not -- at least we didn't say we're going to decommission them. But you did say we're going to phase in the modernization that might take, on average, nine years.

So it -- my concern, I think the concern of the subcommittee might be that is this kind of a way to phase in the decommissioning, as opposed to actually modernize them, upgrade them?

FRELINGHUYSEN:

We need some answers here. This is a focal point. Maybe Mr. Crenshaw might not have anymore time. But before we leave here, we need to know how we're going to have this forward presence with a lot of ghost ships that are part of that count.

MABUS:

Well, first, the short answer to your last question's no, it's not a way to try to decommission. Second, we're profoundly grateful to this committee, and to Congress, for giving us the funds to modernize these cruisers.

When we looked at the cruisers that we needed, we need 11 operational at any one time. The most effective way to keep 11 in the fleet -- because if we -- if we simply modernized all the ships today, the -- all those cruisers would leave the fleet, all 22 of them would leave the fleet in the late 2020s.

By doing this phased modernization, we'll keep those cruisers in the fleet into the 2040s. The -- and we're not laying them up. We are modernizing them. I know that there's -- that the concern is that this is just a way for us to decommission them, that this is the first step down that road.

We'll work with this committee in any way you want us to, to reassure you that that is not the case. In fact, our plan is to buy all the materials to do the whole mechanical (inaudible) modernization for these cruisers upfront, so that the ships begin to be modernized.

Second, we're not taking them out from under the control of the Chief of Naval Operations, unlike a ship which is laid up, which goes under the control of the shipyard. CNO has command of these ships, and can bring them back in if -- if there's a national emergency that requires that.

Third, the reason that we are phasing it the way we are doing it, is as the cruisers that remain forward-deployed, operational, retire as they reach the end of their lives. The ones we're modernizing have the most life left in them.

As the ones that reach the end of their lives, we're doing a one- for-one. As one retires, one comes out of modernization, so that we keep the same number...

(CROSSTALK)

FRELINGHUYSEN:

This is, no pun intended, a pivotal question. And I suspect others may follow up on Mr. Crenshaw. But I'd like this time to yield to Mr. Moran for questions.

MORAN:

Thank you very much, Mr. Chairman. I first wanted to thank General Amos for the tremendous Marine Corps fellows, Jack (ph), and now Katherine (ph), that have put together our questions. So it's really their fault if (inaudible) don't like these questions.

I also have to say what -- this is the last time before the hearing, you know, Mr. Chairman, I have the great honor of holding the banner with General Amos for the end of the Marine Corps Marathon one year. We haven't been...

FRELINGHUYSEN:

Have you ever run it?

MORAN:

I did, but not recently. Thanks for asking. I wish you hadn't. I finished in 3:56, but that was in another life, (inaudible) show up, they put it on parking lot afterwards.

But the point was, this was a true highlight, because we had this great pleasure. Because I haven't been asked again -- I'm not sure if you have, General -- because we got to talking among ourselves as the female lead runner passed the finish line.

So we wound up in the awkward position of having to run after the lead runner, trying to get in front of her so we could put the banner in front of her so she could run through the finishing banner.

So it was not a -- it's not one of our most glorious achievements.

Anyhow, so now I'll get back to -- that's a true story, though, isn't it, General?

Yes.

The -- let me ask you about the amphibious combat vehicle. You -- the budget has \$106 million in it. We canceled the expeditionary fighting vehicle in 2011 after \$3 billion investment. So that one hurt. And we're still trying to replace the amphibious assault vehicle. But after the budget was drafted, you announced, General, that you were going to review program.

So the question is, we provide \$123 million last year; I'm not sure where that's being used for the amphibious combat vehicle. And we really have to ask if we're reducing end strength and force structure do we still need the 573 vehicles?

AMOS:

Congressman, thanks for the opportunity to talk about that. There was no sleight-of-hand on that. And you were very generous with your historical memory of the \$3 billion because my memory of the EV (ph) program was actually more expensive than that when we canceled it.

So but I'll take your number.

(UNKNOWN)

The \$3 billion hurts enough.

AMOS:

Yes. But that was 15-plus years of effort to produce a vehicle that, in the fall of 2010, the secretary and I sat down with then-Secretary Gates and said this is -- this is -- this is unaffordable for a host of reasons.

So we stopped, as you recall, and we said we are going to spend -- we're going to put a lot of effort and try to determine the way ahead. We need a vehicle that swims out the bowels of the ship. You come off a ship one of two ways: you either fly off or you come off in some type of surface craft.

We spent two years in detailed effort on that. And we've labeled that program the amphibious combat vehicle. We put money in the budget for R&D. Two -- a year ago I was getting close to being prepared to make the decision on that, come to Congress, ask you for help. I wasn't satisfied that the absolute final degree of effort had been done.

I knew I was only going to get one more bite at this apple and I was not about to come to this committee and say let me give you -- let me proffer up something that looks a lot like the one I just canceled.

So we put it back in the sausage factory again, Congressman. I made a detailed effort and it reported out in January and I sat and fussed with that for about 45 days, wanting to make the right decision.

I have the money right now that you see in this year and over the FYDP is sufficient to do what I'm about to describe. It's just in the wrong -- it's in the wrong cubbyholes. And my folks are going to work with this committee to try to rearrange that. We're not going to ask for any more money.

But in a nutshell what we've elected to do is we can build a high-water speed vehicle and it -- and we know now that we can do it. The cost of that vehicle is going to be somewhere along the lines of the vehicle that we canceled. So that's not good.

And second of all, the compromise on what that vehicle will be able to do for sure with its 13, 17 Marines in it, however many Marines it's going to carry, was too great to compromise to assure whether the vehicle's going to live 90 -- to 90 percent of its time was too great.

(UNKNOWN)

Yes.

AMOS:

So we elected to switch and go to a wheeled vehicle and these are commercial, off the shelf, Congressman. They're already being made by several different manufacturers. So we have put a program in place for what we call an Increment 1, which will be somewhere probably around 300 vehicles; we're in the process of doing the acquisition work on that right now.

And, sir, it's -- these vehicles will be somewhere between \$3 million to \$4.5 million apiece by 12-14. It's the way to go. And they are highly mobile. And that's the direction we're going.

I hope that answers your question.

(UNKNOWN)

Yes, it does. It take up all the time, unfortunately, but I'm glad you gave us a complete answer.

I want to talk about the George Washington, too.

Do you think we need to move on, though?

FRELINGHUYSEN:

I want to give Mr. Kingston a chance to put his oar in the water here. But we're going to here plenty about the George Washington.

(CROSSTALK)

(UNKNOWN)

OK. Well, so -- and we'll get another round. So I'll...

FRELINGHUYSEN:

Thank you.

(UNKNOWN)

... move on.

FRELINGHUYSEN:

Mr. Kingston.

KINGSTON:

Thank you, Mr. Chairman.

First of all, I want to clarify for the record to my friend, Mr. Crenshaw, that Kings Bay is, in fact, in Georgia and not part of North Florida. So although we will be happy to annex Jacksonville if necessary.

(LAUGHTER)

So but...

(UNKNOWN)

Will the gentleman yield?

KINGSTON:

Absolutely.

(UNKNOWN)

My wife was born and raised in Jacksonville. So let's...

KINGSTON:

She'd like to get into Georgia. We're good with her, particularly if she votes the right way.

(UNKNOWN)

You have to get elected, though, Senate (inaudible).

FRELINGHUYSEN:

Your time is evaporating here.

(LAUGHTER)

KINGSTON:

First of all, General Amos, I want to say thank you for all the service that you've given our country and the great leadership that you have shown the men and women, the Marines.

Mr. Secretary and Admiral Greenert, we appreciate your visits to Kings Bay and your support of the nuclear deterrent program and Ohio class submarine replacement.

And Mr. Secretary, we think foremost my question, number one, would be can you assure us that the Ohio replacement program, the Ohio class, is going to stay on target on -- as you know, and I say many times in my speeches, that they're going to be decommissioned in 2028 and the time to build them is not 2027.

And then secondly, I'd like you to comment on the F-35C program and the Navy's commitment to it.

And then thirdly, depending on time, about a year ago, a number of us and some members of the authorizing committee went to Operation Bold Alligator, the training exercise. And I think the price tag on that was maybe \$15 million of the exercise. And it really worries me that the Navy doesn't have the money for large-scale training operations like that and maybe if only for the record, if you could say how important those large training operations are, because as you know, that was all over the eastern part of this country. So...

MABUS:

Well, if I could take that in reverse order, I will be happy to say for the record how important those large, particularly amphibious training exercises are like Bold Alligator, to, number one, completely mesh the Navy and Marine Corps team but, number two, to practice the opposed amphibious assaults at the -- that our Marines are unparalleled and unrivaled in the world in doing.

On the Ohio class replacement program, Congressman, I can say, yes, we are absolutely on track on that, both in this FYDP in terms of the engineering money and the R&D money.

We have to start building that first replacement in 2021 to be ready to go to sea. At the end of that decade. We have to have the common missiles compartment ready earlier because the

British, who are also buying that compartment, will build their replacement submarines first and will test that common missile compartment.

We are driving costs out of the program as aggressively as possible, making sure that we don't compromise any mission areas.

I do think that there needs to be discussion, conversation in Congress and in the country as to how we pay for the Ohio class replacement program because this is a national program and if Navy bears it all out of shipbuilding budget, it will absolutely devastate the rest of the fleet, including the other submarines, including the attack submarines in the fleet, which I don't think is a result that any of us want.

We are committed to the F-35C program, the carrier program, the Marines are first with the B version. And we, in this FYDP, are in this budget, are buying two Cs and six Bs, two for the Navy, six for the Marine Corps.

We push some tails off purely as a financial measure. It will not affect IOC, initial operating capability, for the 1st Naval Squadron and we feel confident in our ability to bring F-35Cs into the fleet while maintaining our current attack air capability.

KINGSTON:

Thank you.

Thank you, Mr. Chairman.

FRELINGHUYSEN:

Thank you.

Ms. McCollum.

MCCOLLUM:

Thank you, Mr. Chair.

General Amos, thank you for your service. And I'm going to talk about military misconduct. My comments are going to be more directed to the admiral. But I just want you to know that we'll continue to watch the Marine Corps handle its progress towards military misconduct and the way the discipline is meted out.

But to Secretary Mabus and Admiral Greenert, you know, I do want to thank you for your leadership. I know this was something that you've been focused on and that an overwhelming majority of sea men and women serve honorably and with great distinction.

And today we have a heavy heart because of the loss of such a sailor that we just heard about this morning.

However, the recent state of high-profile cases of military misconduct within the Navy, we have to confront it. We have to address it. While we've reported (inaudible) scandals involving two Navy commanders, the cheating incidents in the Navy nuclear...

(CROSSTALK)

FRELINGHUYSEN:

Ms. McCollum, if it is, pull your microphone up a little bit, please. Thank you.

MCCOLLUM:

Thank you, Mr. Chair.

And the sexual assault allegations are deeply concerning to me as well as my colleagues in the committee. And we will continue to follow this.

But because we are preparing our budget, I wanted to discuss and give some feedback on BRAC.

Secretary Mabus, as you know, the Undersecretary of Defense Robert Hale said, and I quote, "We've got at least 25 percent of unneeded infrastructure in the DOD. If we can't get Congress to allow us to close it, we're similarly going to waste taxpayers' dollars," the end of this quote.

He goes on to say that not allowing the closure of this excess infrastructure measure the Pentagon -- and I quote again -- "won't have the money to invest in things like readiness and reducing the numbers of force cuts that are required." And that's the end of his quote.

So, Secretary Mabus, I'd like you to tell me explicitly how much excess infrastructure that you have in the Navy and then here's where there's a bit of a contradiction (ph), gentlemen, because Admiral Greenert, on March 24th, in an AP press, was quoted as saying that the Navy is not pushing for BRAC.

So gentlemen, can you explain to me what the Navy's position on getting rid of excess capacity in order to free up funds for other things, like readiness and maintenance and operations, as been discussed by my colleagues earlier?

MABUS:

Thank you, Congresswoman.

Comptroller Hale was obviously speaking for the entire Defense Department when he made that statement.

And while we think that everything ought to be on the table in these fiscally constrained times, and that BRAC is a useful tool to take a look at what we have.

One of the things that Navy and Marine Corps has done is, in previous BRAC rounds, we've taken those very seriously. And we have ridded ourselves of a good bit of excess capacity that -- that we have.

We will certainly take a -- a very hard look at all our capacities, at all the bases that we have, should Congress authorize a new BRAC round. And we do support the use of that tool. But we think that in the past because of past BRAC rounds, we have gotten rid of most of our excess capacity.

GREENERT:

And, ma'am, the context of my comment, I was speaking at a base about a base, in this case Mayport.

As you know, and as Congressman Crenshaw mentioned earlier, strategic dispersal is important to us.

And as Secretary Mabus said, BRAC is a process. It's frequently used as a verb. You're BRACed. And as a derogatory thing. The Department of Defense is asking for a BRAC. I support that. It's not a bad process. It's kind of cleansing to look at what you need strategically and in the business case analysis of it.

With regard to our lay-down, our strategic dispersal, which I was addressing at the time, I'm satisfied with it.

MCCOLLUM:

So gentlemen, in your opinion, unless ordered to by Congress -- because I'm confused, Mr. Hale identified 25 percent. Could you perhaps talk to Mr. Hale and get us back to what share of the Navy 25 percent that is?

Because from what I'm hearing today, you say that there's possibly none of the 25 percent's in the Navy.

MABUS:

I'd be happy to talk to Bob Hale. And Congresswoman, I was Governor on the other side of a BRAC process. So I understand how BRAC processes work. And to the CNO's point, they -- they -- they do bring some -- some needed rigor to looking at what bases that we do need.

FRELINGHUYSEN:

Thank you, Ms. McCollum.

Ms. Granger?

GRANGER:

Thank you, all three of you, for your service and your leadership, and for being here to answer questions this morning.

General Amos, you and I have discussed the joint strike fighter many times. And I certainly appreciate your leadership in -- in keeping the Marine (inaudible) on track.

Could you give us an update on how the program's going from your point of view? And also, confirm the Marine Corps' plan to replace six Harrier losses in Afghanistan with additional joint strike fighters.

AMOS:

Congresswoman, thank you. To your last point, when we lost the six airplanes in the attack at Bastion airfield about a year and a half ago, there were six Harriers completely destroyed on the line.

Since then, we brought two of the other Harriers back, and it's my understanding that those two airplanes have not survived (ph) what we call the planning and estimating, trying to determine how much damage. So the total is really eight airplanes at this point.

We've put in an OCO request, through OCO, through OSD, and through OMB, to replace those airplanes. We can't buy Harriers anymore. They don't manufacture them. So to buy JSFs with those.

We've -- we've certainly -- OCO, in the past, have replaced damaged and lost equipment, whether it be vehicles or whether it be attack helicopters and that. So that's what that's about. And we're in -- and I don't think a final determination has been made on that.

We've included it in our unfunded priority list up to the House. Chairman McKeon asked for that. So you have that. And that's really for just six airplanes, and it's six JSFs.

The program itself is doing well. The GAO, as you're aware of, released a report yesterday critical of several things. And they're doing their job. They're doing what they are -- what they're required to do.

But the airplane for us, we have one squadron (ph) completely stood up with 16 airplanes out in Yuma, Arizona. It's our first fleet operation with squadron (ph). And we have a training squadron (ph) set up in Eglin Air Force Base, along with the Navy and the Air Force.

The airplane itself now has over 5,000 flight hours on it, both in developmental testing and the flying that's been done out in Yuma, Arizona. It's -- it's still in developmental testing. I mean, they are going to find -- we are going to find issues with it.

I talk to the JPO, the Joint Program Officer, all the time. We manage this. We understand where he is with relationship to software, with relationship to structural integrity of the airplane. We've got a good plan, he does, to continue to fix those things.

It's pressurized. There's no question about it. Just to give you an order of magnitude on software, the F-22 has 2 million lines of software code in it. The JSF has 6 million lines of software code. So it's an order of magnitude greater in complexity.

But it's a tremendous weapon system. It's flying well. And we're still on track, at this point, to what we do initial -- initial operational capability for our squadron out in Yuma, Arizona, in late summer of 2015.

GRANGER:

Thank you.

FRELINGHUYSEN:

Thank you, Ms. Granger.

Mr. Ryan?

RYAN:

Thank you, Mr. -- whoa. Still working. No, it's good.

Thank you, Mr. Chairman. General Amos, sad to see you depart, but I have a feeling you will still be around. And I want to thank you for your leadership, especially your leadership in the field of resiliency. I know we've talked and met about that a good many times. And I want to just thank you for your leadership on that score (ph), as well.

I have a question, Secretary Mabus, an issue that I've been working on since I got into Congress a while back. Not as far back as when Mr. Moran was running marathons, but it was...

(LAUGHTER)

It's regarding Navy aviation tires. And the Defense Department Tire Procurement Reform was taken up in 2005 during the BRAC process.

And subsequently the House and Senate Armed Services Committee and this Subcommittee and our Senate counterparts, those reforms have almost completely eliminated the unfair, uncompetitive, and uneven process that used to allow a tire manufacturer to directly contract and manage DOD's tire procurement.

The result, which means that the company, for example, Michelin, has the contract that sells DOD almost exclusively their own tires, in this instance.

In the fiscal year 2010 defense appropriations report, we said, quote, "having a tire manufacturer as the manager as well as the vendor creates a perception of a lack of competition," end quote.

And then we went on to say that the Secretary of Defense will award a new contract and, quote, "the new contract should prohibit any tire manufacturer from acting as a prime contractor for the management of the contract. The existing Navy aircraft tire contracts are exempted.

That existing contract continues. And as this Committee said, a perception of the lack of competition continues, as well.

Mr. Chairman, I would like to show the Secretary and the Committee a chart that puts into stark terms the actions of the existing contractor's actions. The contractor selects their tires 98 percent of the time.

The Navy, for reasons that are not clear to anyone given the language and direction provided by this Committee, is, at this very moment, proceeding with a new tire contract RFP with a tire manufacturer acting as a prime contractor for the management of the contract.

It seems as though the Navy believes it received a never-ending exemption.

Mr. Secretary, this budget environment is extremely tight. Let us save the taxpayers some money, conduct business in a uniform way across DOD, provide competitive pricing for your aviation tires, inject fairness, and allow for investment into American manufacturing, one of which has aviation tires all made in the United States in Virginia.

You received a letter, and I have it in my hands, signed by 19 members of the House, including five members of this Subcommittee, asking you to have the Navy employ the process for tire procurement used by the rest of the Defense Department. A letter is also forthcoming from the United States Senate.

Mr. Secretary, the Congress and the Subcommittee have been on record on this subject for quite some time. You have this letter from members of the House Armed Services Committee and the Appropriations Committee asking you to act as Congress has previously directed the Navy.

Now we can do this the easiest way I think possible or a harder way, where we end up having to act on this Committee and writing it into law.

But can you commit to me and my fellow members, concerned and writing you, and the membership of this Committee, that the Navy will abandon its duplicative contracting measures and use TSI?

MABUS:

Congressman, what I can commit to you doing is to getting you an answer not only to your letter but also to this question in the detail that we should get you the answer. And as quickly as -- as is possible.

And I will -- I will do that and I will make sure personally that it is done.

RYAN:

I would appreciate this. I think this just feeds into -- I mean, there's always a level of cynicism on how the government is doing business. And I think this just feeds into that level of cynicism to say, you know, you're going to be in charge of picking and you pick yourself.

People in Youngstown, Ohio, and Akron, Ohio, they get that. That sounds like a scam to them. And so I would appreciate your response and I appreciate the other members of this Committee who have signed onto that letter.

And appreciate your time, Mr. Chairman.

FRELINGHUYSEN:

Thank you, Mr. Ryan.

Mr. Calvert?

CALVERT:

Thank you, Mr. Chairman.

I also -- General Amos, thank you for your service. And I look forward to your next career, whatever it may be.

This budget proposes significant reductions in the size of our military, particularly the Army and the Corps. While the U.S. military is now 30 percent smaller than at the end of the Cold War and forecast to shrink even further, it has 20 percent more three- and four-star generals.

The fiscal year 2014 Appropriations Act directed the department to write a report on all direct and support costs associated with general and flag officers.

While reducing the size of the force will save money, it's important that we retain a force that is right-sized, with the right mix of personnel, both military and civilian, to accomplish that mission.

CALVERT:

Secretary Mabus, Admiral Greenert and General Amos, as you may know, just two weeks ago I introduced an act, the REDUCE Act, which will require DOD to make necessary reductions to its civilian workforce in a systematic manner, which -- without compromising our ability to maintain a strong national defense over the long-term.

It would provide DOD with the authority to reduce the most non-essential positions, and an opportunity to determine which tasks no longer need to be done through reduction in force.

Currently, the United States has 1.3 million active-duty military personnel, versus 770,000 civilian personnel. I believe that ratio is out of balance. What do you -- I'd like to ask each one of you, what do you believe is the right mix of civilian and military personnel across your services? Secretary?

MABUS:

Congressman, we have been taking a very hard look at this for several years now. And in fact, we've had a hiring freeze in place last year for civilians.

Marines have had a hiring freeze in place for two years for civilians. And we have cut pretty -- pretty substantially the number of civilians working.

However, having said that, we literally can't put our fleets to sea without the civilian workforce. The 12 people that we lost at the Washington Navy Yard were working as civilians building our fleet. They're -- the people that work with them, two days later, were back at work to make sure that we did that.

So I think we have to continue to take a look at both, at the uniformed and at the civilians. But also, one of the things that we're finding, we spend an enormous amount on contracts -- on contract services that are not government employees. We spend \$40 billion a year on that, more than all our acquisitions combined.

We are absolutely convinced that we can save at least 10 percent a year on that, on the -- over (inaudible), without -- without harming in any way any of our -- any of our activities.

CALVERT:

General?

AMOS:

Congressman, we have, as my secretary said, in 2012, we put a hiring freeze on the Marine Corps, on the civilian side of the Corps. In fact, we sit thousands of numbers below what we would call the targeted, the right balance. So yes, what's the right balance between active-duty and civilian Marines?

We sit several thousand below that, that number that we have adjusted almost annually to make sure that we've got the right balance. We're the leanest of all the services. We've got the fewest civilians per -- and I'm just looking through my notes here to get you the exact figures, and I'll find it here in a minute -- of all the services.

Now, I don't want to be misleading. We don't -- we use the services of my brother in the Navy with his depots, and with his systems commands. So we don't have quite the overhead in civilians. But we look at this twice a year, Congressman, to maintain that right balance.

I'll tell you, we're short right now. I don't think it's going to get any better for us. So I guess if you're looking for a force that's already lean, we're there. And I think we're probably going to get leaner over the future.

CALVERT:

Admiral?

GREENERT:

What's a little unique about the Navy, Congressman, is we buy equipment, and we man it, as opposed to -- and I'm talking about military -- as opposed to determining the size of the Navy on numbers of people. That's just not what we're about.

Similar to the Air Force, as opposed to the ground forces. And they get people, and then they equip it.

With regard to civilian personnel, as Secretary Mabus said, there are folks that are -- they are wrench-turners, welders, pipefitters, electricians. If we were to reduce them, well, we just have to bring in military, because that has to get done for the fleet to sail, and for aircraft to fly. And as General Amos said, same with air craft depot.

But to look at this in a broad, more strategic approach, I think that would be great. But we would need some regulatory relief, because we have to manage, hire, if you will, and reduce in force locally. It's not like we can provide -- which is different from our military, which we can do. We can put a master plan, and look at it...

CALVERT:

And that's -- I work with the former comptrollers. It was their suggestion, by the way. And a former undersecretary of the Department of Defense, and former secretary of defense, who believed that the ratios are out of balance. And the secretary does not have the authority under existing law to make those types of reductions.

And we're not talking about the wrench-turners, or the folks that are manually working every day. We're talking about a look at the department, especially in management, and the management of -- middle management and the rest, like civilian workforces have done in private sector over the years, to re-evaluate the growth of the civilian workforce.

As you know, it's grown by 17 percent in the last 10 years versus the military, approximately 3 percent. And I think, from a business perspective, you need to take a serious look at that, have

the tools to make those reductions. And we're talking about 3 percent per year over five years, and a 770,000 workforce.

It would seem to me a reasonable thing that could be accomplished, and it could save, over 10 years, approximately \$170 billion, which -- keep that in the department, I think would help -- would help sustain the readiness, procurement, and troop loads (ph).

MABUS (?):

Armed with that sort of -- with that sort of authority, if you will, and guidance, we could do that. But heretofore, things have been done so homogeneous, that we would go to these shipyards and say, "You're frozen."

I can't hire a wrench-turner when the target may be support. And so until we can change that, the baby goes out with the bathwater.

CALVERT:

And that's what the intent of this legislation...

FRELINGHUYSEN:

It's worth a look. Please take a look at Mr. Calvert's proposal. Mr. Cole?

COLE:

Thank you, Mr. Chairman. Thank gentlemen, all three of you, for your terrific service to our country, so many different capacities.

I've got two quick points to make, and then a bigger unrelated question. To my friend, Mr. Ryan, not is it correct even -- not to undermine your point at all, but I do want to just point out, Michelin has a lot of factories in America. One of them is in my district, it's actually the largest single-side employer.

Now, we don't make aviation tires there, but they're pretty -- it's over 2,200 jobs. So they're a good company, they have great presence in the United States.

I'd like to know -- and we've been trying to go through the budget to determine -- do you have any plans in terms of downsizing or changing the E-6 communications wing that you have at Tinker Air Force Base now?

(UNKNOWN)

No, sir, we don't. To my knowledge, we don't. We size that base -- it's all part of the, as you know, the sea-based strategic deterrent. And the support, that's the command-and-control

features. So we're required to have a number of airborne -- you can call it "in orbit," however you want. And everything fits around that, just like SSBNs at sea.

COLE:

Thank you very much. Let me -- let me switch it pretty dramatically now. Again, you had to deal with some really pretty tough budget decisions. I appreciate the fact that both the service chiefs in particular use the phrase, I think, you know, "the best force that America's willing to pay for," or something like that. I think that's a really important point to be made.

And ringing the alarm bell about 2016 can't start too early. Everybody on this committee knows what we're going to be facing if sequester actually does kick back in, and what that'll mean for your job. So thank you for making that point.

I'd like you to look outside while we're going through a pretty difficult downsizing process with our military. That's certainly not true of some of our assets -- or our potential adversaries that you deal with, particularly in the Western Pacific.

So I'd like you to give us a quick overview of what you think the Chinese, in particular, are doing, and whether or not you have what you need to make sure that that remains as stable, and hopefully, peaceful place, even given all the tension there is in the South China Sea right now.

(UNKNOWN)

Well, the Chinese navy, as they're very affront, they intend to build and replace -- they're modernizing their fleet. Folks think they're building a larger fleet. Frankly, the size itself is not so much the change. The (inaudible) of the vessels that they have, and aircraft, and submarines, is changing.

I view it with vigilance right now. They -- you can buy all kinds of new stuff. We've done it. Can you operate it? Can you network it? Do you have the people to support it? Do you have the -- can you man, train and equip it? And I watch that closely as I do that.

Secondarily, so what's the strategy here? And that's a topic -- frequent topic of us in military talks. I had my Chinese counterpart here in September for a week in the United States, spent the entire week with him. And it was clear to me they want to become what they call, if you will, a world-class navy; therefore, the carrier program, and others.

So they were quite inquisitive, "How do you guys do this? How do you build the force to do that?"

So our asymmetric advantages are people, our ability. I mean, you can build -- as you talked about -- the right industrial base, you can build or not. So that's the core of what we are.

Do I have what I need to do what I need to get done? Presence- wise, yes. And I provide this little chartlet. With what we have, we can be where we need to be when it matters.

Do we meet the COCOM request? There's several questions here. No. The COCOM in the Pacific is very clear, he needs greater than two carrier strike groups. With the ships and aircraft that we have, we can provide one. And that's reconciled, if you will, we call it the "adjudicated global force management plan."

My concern is, if we go to Budget Control Act caps, we have -- difficult just keeping one in the Pacific and one in the Arabian Gulf. And we will, at times, go below that. We won't be able to build with the industrial base that we need.

And, perhaps, more importantly, when contingencies occur, the ability to respond with the right capacity, with the right capability on time, all of those three are very important, won't be there like the combatant commanders say it needs to be at a Budget Control Act level, if you will, at sequestration.

FRELINGHUYSEN:

Thank you.

Mr. Womack?

WOMACK:

Thank you, Mr. Chairman.

WOMACK:

And my thanks to the general. I'll start with a thank- you, and want to thank General Amos. In late January, you visited my district. It was part of one of your initiatives that brought you there. But I got to tell you, the luncheon that you spoke at, that normally seats about 350 people, had over 900 that day. And a number of Marines were there, old and young alike, that made a lot of difference in their lives. And I just want to thank you publicly for taking the time to do that.

My question is for the panel, starting with the secretary. And it's kind of a follow-up to what Mr. Cole has just broached. What we're doing today, is we are trying to address real, or perceived, or emerging threats based on budget constraints. And that's just a business that we always have to do.

So my question is really simple. When you speak to us, you're speaking to the American people. What is an acceptable level of risk that we can take, given the spectrum of things that you have to be able to have the capacity to respond to, sometimes surprisingly, what is that acceptable level of risk?

And are we getting to an unacceptable level of risk, particularly when we see just around the corner the potential for the resumption of sequestration in F.Y. '16?

Mr. Secretary, I'd offer the floor to you first, and then as the two gentlemen to your left and right might be willing to respond.

MABUS:

Thank you, Congressman.

The budget that we put forward, I think the short answer is we have an acceptable level of risk. There is a level of risk and we've tried to articulate that level. And it -- and it goes to several -- several factors.

The concern that we have, which the CNO has -- has talked about earlier today, is if in fiscal year '16, we go back to sequester levels, that level of risk goes up. And it goes up pretty dramatically.

In terms of numbers of ships that we have, in terms of the assets that we can put forward, in terms of the stress that it puts on, in terms of our modernization programs, in terms of our weapons programs, in terms of so many programs that we have, that we simply couldn't get the things that we need when we need them.

So our concern is not so much for '15, the budget that we're talking about right now. Because we do think we can manage that risk. Because it's been -- thanks to this Committee and thanks to Congress, we have this two-year, 14-15, to do some planning and to set some priorities.

It's from '16 out. And if it does return to those sequester levels, the problems that that will cause.

AMOS:

Congressman, I took the -- knowing that risk and readiness were probably a key part of today's discussion, I spent a little bit of time last night thinking about how I could describe that so it would make sense.

If you'd allow me, please, to talk just as a service to you, how I look at readiness to begin with. And then I'll transition to risk because I think they're absolutely related because one will drive the other.

The matter of readiness for -- for my service, the Marine Corps, is measured in people, people readiness. In other words, everything from their preparedness to deploy, everything from the simplest dental readiness and medical readiness, to -- to their family readiness.

Are they set and ready to go? Are the right people, the right ranks, the right experience levels? Do we have the right noncommissioned officers in charge of young Marines, what I call baby Marines, the ones that have just joined? Do I have the right staff NCOs? So it's people readiness.

And it's equipment readiness. And the equipment readiness is (inaudible) mechanical. It's I have a piece of gear, I've got a Humvee, I've got an MRAP, is it up? Is it operating?

And if it's not, is it partially mission-capable? We do that in airplanes. Can we fly the airplane on some missions, but -- or is it completely grounded? Is it down?

So it's people. It's equipment readiness. And in both of those, in particular the second one, require a lot of operations and maintenance money. It's parts; it's support. It's that kind of thing.

The next one is training readiness. And that's taking those Marines and being able to put them through the training syllabus and ensure that they are at a -- what we would call at the highest state of readiness before they go to deploy, if they're going to deploy in combat.

I told this Subcommittee many, many times, those Marines that are forward-deployed in Afghanistan, and those that have gone before in Iraq, are my highest priority. So they will always go ready.

So it's -- it's training readiness is the next piece.

Then there's what we call bases and stations, which is often overlooked, because that's where our training ranges are. That's where our facilities are.

That's where all that home station support is that takes those squadrons and battalions and -- and sets the conditions so that they can train, they can deploy, they can deploy and know that their families are going to be cared for back in the rear (ph).

And the last part is tied to what I just talked about, and that's family readiness. Are the programs set so that when that unit deploys on a moment's notice, that the family is plugged into a network. And they're going to be cared for. And the information is going to flow.

So that's the readiness kind of Rubik's Cube that we work in as commanding -- as commanders. And I certainly do within my force. You transition to risk now.

First of all, risk is a judgment call by the individual. I'm not trying to pass this to somebody, but it is.

The other thing I'd say is that risk is not necessarily a point on a -- on a continuum. It's a space on a continuum between high-risk and probably low-risk. Somewhere in there is moderate risk. In there we would probably describe as acceptable risk. It would be, in my case, a certain sized force, and I can talk about that in a minute.

But risk is a function of the total capacity of the force. In other words, it's -- it's number of units, the capacity, the numbers of ships, the numbers of Marines, battalions, squadrons, to be able to do something that the nation wants it to do.

So that's the first part in the calculus of risk. The second part of it is the levels of readiness, which I just got done talking. That fits into the risk -- in the risk equation.

And then -- and those levels of readiness are readiness for forward-deployed units, readiness for those next to deploy units, and those -- readiness of those units that are frankly maybe a year from now.

And this is where we're beginning to feel the pinch, is those units that are home stations that are not in the queue (inaudible), because they're at a low state of readiness right now.

So the next piece of risk is the ability to build combat power over time. In other words, how quickly can I move forces? We've always got forces forward deployed, and you know that. 30,000 Marines, Jon Greenert's got his ships forward deployed, we're out there.

But how quickly, in case we need something for a large-scale operation, can I build that combat power up? How do I get it there? Do I sail it? Do I -- do I put it on airplanes? Where does the equipment come from? How do I -- how quickly can I build that? So that's an element of risk.

And then the next thing, quite honestly, is the sustainment ability, both in people, combat replacements, and the ability to get parts, the ability to get stuff forward to fix things, the ability to provide meals ready to eat, water, batteries, fuel, ammunition.

And then how quickly can I get those combat replacements to people that are wounded or we've lost in action, and we've got to replace them in the unit?

So those are all parts of the things that count -- that fit in the calculus of risk. In my service, we sit at about 193,000 Marines today. We're on our way down to 175,000.

That 175,000 K-force (ph) was built and designed around full sequestration. That's the force that is highly ready. I've gone into bases and stations, pulled money out of maintenance and facilities, and put them into these deploying units. So they are ready.

But the ones that aren't deploying, I've taken money away from them. I've taken money away from the bases and stations. There's risk there. But there's not risk for those that are forward-deployed and ready to go. They are in a high state of readiness.

FRELINGHUYSEN (?):

General, I need to make sure I recognize Mr. Visclosky at some point. This is a very -- I want to get to this issue, to my own questions, too. This is a critical issue here, whether this is budget-driven or military requirements-driven, but I think we're -- we're getting some of the answers we need.

WOMACK:

And I appreciate the gentleman for his remarks.

Just the quick point, I think we all need to remember -- risk can go on or off pretty quickly. But capacity to address the risk is not an on-off switch. And that's where I'm -- I base most of my concerns. And I yield the floor.

FRELINGHUYSEN (?):

We share your concerns. And I don't mean to cut anyone short, but I want to make sure we all get some questions in.

Mr. Visclosky?

VISCLOSKY:

Chairman, thank you very much.

General Amos, I want to join the Chairman and my colleagues in thanking you for your service to this country, as well as your colleagues on the panel. And also join the Chair and my colleagues in extending my personal and all of our sympathy on the death of the sailor yesterday.

General Amos, you mentioned, in response to Ms. Granger's question, a number of aircrafts and suggested that a request was submitted for the Overseas Contingencies Operation.

We face a very difficult task because there is a placeholder for \$79 billion for next fiscal year. And our bill hopefully will be on the House floor and there will be a placeholder for \$79 billion that is, as of this moment, undefined.

That's going to be a very difficult problem to address. There's a theory that there is a bridge that the administration's considering for the last three months of this calendar year, as well as the supplemental.

But the question I would ask today is, Secretary and officers, has the Navy and Marine Corps contributed assumptions or analysis that are contained in that placeholder? There was a specific mention in a request for aircraft in OCO. What's in OCO for the Navy and Marine Corps for fiscal year 2015?

MABUS (?):

I'll give you a very specific answer to your very specific question. Yes, we have contributed information into the -- to the OCO request. As you know, it is not final yet.

And we put the things in that we thought were appropriate to be put into an Overseas Contingency Operation request, things that were related to our combat operations, particularly in Afghanistan.

VISCLOSKY:

I appreciate you answering my question. That's why you're secretary of the Navy.

Could I ask, have you submitted options? Because there appears to be an operative theory that, at some point, after an election and/or run-off, an agreement will be signed, but that if an agreement is not signed, there's the so-called zero option that the president of the United States has talked about.

VISCLOSKY:

Would your request, in that instance, be different than the ones that you have submitted to date?

AMOS:

Sir, the -- there's no question about it. That's a little bit of the unknown right now -- is there's going to be a zero option, or there will be enduring force presence.

If there's enduring force presence -- excuse me -- it will -- it's going to require OCO. If it doesn't, then the actual OCO to deploy and train those forces in Afghanistan or sustain them there will -- will go away.

But the requirement to reset the Marine Corps will not go away. That will be two to three years and -- and I've sat before this committee many, many times and talked about that.

Now, I think we are now down to about \$1.3 billion worth of -- of requirements to reset the Marine Corps. That's from about \$15.5 billion years ago, when Chairman Murtha sat here.

So, we've come a long ways to reset, but there are -- there will be some OCO requirements, sir, as a result of -- once we even come out of Afghanistan.

VISCLOSKY:

And on the reset, because the world's a changing place and we obviously face some very difficult circumstances with Russia and the impact that has, as far as their influence on some of the former republics that are contiguous to Afghanistan, is that factored in as to any possible fluctuation in your costs on reset if that becomes more difficult, as far as transit of equipment north?

AMOS:

Congressman, we've got forward deployed forces in -- in that -- in the Persian Gulf area. And we're looking at putting a special purpose Marine air-ground task force on the ground somewhere there for the combatant commander.

Those will be covered in our -- in our...

VISCLOSKY:

I'm talking about transit out of Afghanistan, as far as the reset.

AMOS:

Pardon?

VISCLOSKY:

And the lack of options, potentially, based on Russians' activity -- with some of the nations that border Afghanistan.

AMOS:

Sir, we don't have -- we don't have any -- any -- we did not put any money in there for -- for options.

MABUS:

We -- Congressman, the Marines have more than 75 percent; in fact, it's getting close to 80 percent of their equipment have -- has already gotten out of Afghanistan.

They took the lessons out of Iraq and they have been -- they've had a detail plan now for some time. And they've moved equipment out.

So, the -- the risk to them, in terms of the way you take it out is -- is -- it's not completely gone, but it's -- because what they've done, it's much smaller.

VISCLOSKY:

Thank you very much.

Thank you, Mr. Chairman.

FRELINGHUYSEN:

Following up on Mr. Visclosky's question -- and this is maybe a focus on the Marines.

And let me thank you for reminding us of the Marine Corps' ethos and invoking Belleau Wood and mentioning, obviously, Fallujah, which was one of the most remarkable battles and successful battles that Marines were ever involved in. I don't think we will ever forget the level of sacrifice that was identified in -- in Iraq.

I'd like to ask, relative to the size of the Marine force going forward -- to some extent, the forces of all of our military are directly related to our -- our withdrawal of U.S. forces in Iraq.

What do you see, General Amos, as the laydown? Maybe that's not the proper term -- but the blueprint of where the Marines are going to be over the next couple of years?

And I'm not -- I'm not talking about as a result of the -- you know, potential of continuing resolutions and sequesters. But relative to military, you know -- the military obligation; what -- what you see out there.

I know sometimes we -- we're taking a look at what the Russians are doing; that was unanticipated, to some extent, it appears. The Chinese, with all due respect, are still on the high seas, doing things to deny us access in areas and our allies.

Give us a blueprint as to where you think the Marines are over the next couple of years.

AMOS:

Thank you, Chairman.

I'll think we'll always have somewhere between 30,000 to 40,000 Marines forward deployed at all times.

We'll have -- we'll continue in this budget -- even the -- even the fully sequestered budget, we'll have seven Marine Expeditionary Units, the same number we have today, which are those ships and Marines that are fully deployed on a rotation basis.

We have three MEUs out right now. Admiral Greenert has his ships out -- one in the Pacific, one in the Persian Gulf area and one on its way home coming up through the Mediterranean.

So, they'll always be there -- so, that hasn't changed. What has changed -- and we'll have 22,500 Marines west of the International Date Line.

That doesn't include Hawaii; that's starting up north in the Iwakuni, Okinawa, Guam and down in Australia. And we are realigning that, as you're aware, right now.

That right -- today, we have pretty close to about 20,000 Marines west of the International Date Line. So, they'll be there. They'll be forward deployed and they'll be ready.

What we have built -- and we have one already in existence -- it's called a Special Purpose Marine Air-Ground Task Force Crisis Response.

And it sits in -- in the European theater right now, by the graciousness of the country of Spain. They've been very good to our country -- allow us to position our forces there and to operate into the African continent.

And General Rodriguez uses them. They were down in South Sudan; they rescued Americans out of there. And they are his crisis response force.

(inaudible) and they will be positioned available there. We're going to build one of those for General Lloyd Austin.

It has to be approved by the secretary of defense; and so, we are -- we're offering that up. And we're looking at building one of those down in South America for General Kelly.

So, the Marines will be positioned all around, Chairman. And -- and -- and that's our...

FRELINGHUYSEN:

So -- so, the -- what the secretary talked earlier in the morning about, you'll be essential part of what he described as the innovation -- innovative combinations that -- that are going to be -- are being used now and will be structured in the future to -- to meet potential aggression in -- in crises.

So, you're essentially part of that -- which sort of begs the question here, and I -- I say this respectfully -- we know that Marines will do anything at any time for our country and have done it time and time again. You've always been the -- the point of the spear; you're remarkable.

What is your relationship with -- and I know you're part of that relationship with our special operators who also do remarkable work and who now have a -- a greater role in this budget scenario.

In other words, you're being reduced and we're making substantial investments in cyber where (ph) we're making investments and no one's against them in -- in -- in the -- the role of our special operators. Where are you in that mix?

AMOS:

Chairman, we have 2,500 -- almost 2,600 Marines that are part of Marines Special Operations Command. They belong to -- they're -- they're under the command and control of Admiral Bill McRaven, the commander of Special Operations Command down in Tampa.

They're just like Seals; they're just like the Rangers, the -- the other forces that he owns. They're highly trained and they're our -- they're our contribution.

And they have -- they have a general role, as special operations forces; but the -- the synergy here is that they have unique tentacles (ph) back to us.

And so, we have just agreed, General -- Admiral McRaven and Admiral Greenert and I -- that we will put some of those on Navy ships on Marine Expeditionary Units, on Amphibious Ready Groups. And they'll be in -- they'll be in concert working with the special operators as they travel around.

And so, it's a symbiotic relationship. And sir, we are -- we're all in on it. I think we've got the right amount.

I get asked that question all the time -- do you have too many, do you have not enough? Right now, for the budget we have and the roles and missions, I think we've got the right amount.

FRELINGHUYSEN:

Miss Granger? Any further questions?

GRANGER:

Yes.

General Amos, we've seen and heard from the Navy on the need for more amphibious ships. However, as I understand it, you began filling this critical amphibious gap with land-based crisis response forces, particularly in Africa.

And my question is will the Marine Corps continue to develop these special purpose air-ground task forces throughout the world? And do you feel the air-support at your disposal is adequate to continue that -- those missions?

AMOS:

Congresswoman, I -- I think we will. I think it's a sign of the future; it's a sign of kind of this -- what people are calling the new norm.

We want to be relevant based on -- on what the needs are for the combatant commanders. What the real world has -- has unveiled.

After the -- after the Libyan tragedy with Ambassador Stevens, we sat back and -- (inaudible) -- and said I -- is there anything that we can do in the future?

And two things came to mind. One was -- with the help of Congress, was the authorize another -- another thousand Marines in the Marine Security Guard detachment, which we've done and we're in the process of -- it's turning out to be very successful so far.

The second was what if we had a force that was on the ground somewhere -- or at sea; ideally, it would be at sea -- that -- that could react in the event a combatant commander has a need?

And that's what this is all about. And so, this is in anticipation of -- of -- of can we provide something for future requirements.

So, I think we're going to continue to do that. I know that Admiral Greenert and the secretary are working very hard on the ships. We'll probably talk some more about that here.

We'd like to be on ships -- it's just they cost a lot of money. And it's just a function of trying to balance the budget.

GRANGER:

(OFF-MIKE) Thank you very much.

FRELINGHUYSEN:

Thank you.

Mr. Moran?

MORAN:

(OFF-MIKE)

And I mentioned that I wanted to ask some questions about the -- the George Washington; and we haven't gotten into that.

And I know, Admiral and Secretary, that you really do want to get into that subject. So, I'll give you the opportunity.

The -- we invested \$3 billion into the George Washington aircraft carrier back in 1983. The price of a new carrier is now \$10 billion.

In this budget, you've put \$46 million for defueling the ship. But it's going to be a billion dollars if we actually decommission it.

MORAN:

Now, in prior years, the -- the subcommittee has provided over half a billion for the planning and advanced procurement of these kinds of -- you know, for lead items like the reactor core and for refueling.

So, we got an issue here. The -- I know you do, as well; but we need to be able to plan -- what are you going to do?

It's a -- it's an enormous cost if we change our mind, as you know. We don't know whether this ship is going to be inactivated for a billion dollars. We know that this small amount of money is not even a placeholder.

Are you going to ask for the addition \$800 million to deactivate it, or is it just a situation where we haven't made a decision as yet? I guess I should ask you, Mr. Secretary. That's why you get paid the big bucks, to answer those kinds of questions.

MABUS:

Congressman, to start with, I just don't think it's true that either one of us was at the first marathon.

MORAN:

Is what?

MABUS:

I said, I don't think either one of us was at the first marathon, even though there's rumors that we were there in Greece a couple of thousand years ago.

The only thing we have done with the G.W. is move the decision one year, whether to...

MORAN:

As to move the decision for one year?

MABUS:

Yes, to move the decision for one year. Nothing is going to take place in '15 that will head in one direction or the other.

Having said that, we very much want to keep the G.W. As you pointed out, she was built 25 years ago. She is halfway through her expected lifespan.

Admiral Locklear, the Pacific Command commander testified in Congress about the need for us to keep 11 aircraft carriers. The -- we're very aware that there's a law that says we will have 11 aircraft carriers. So it's like gravity. It's not just a good idea, it's a law.

And so we're very aware of all that. And we want to keep that carrier, and her associated air wing. To lose that carrier would have implications in terms of our presence, in terms of our surge capacity, in terms of the stress that we put on the remaining carriers, and also on the industrial base, in terms of building carriers.

So by moving the decision, completely moving it, we had a year to work with, we will not have an impact on the cost of -- of refueling or defueling. And we will not have an impact on the next carrier coming in to be -- to be refueled.

And that's why we did it, to give us a little more decision space, to give Congress a little more decision space. Because, as you pointed out, the bill for keeping G.W. and her air wing, and operating her, is about \$7 billion over that five years, beginning in '16.

MORAN:

OK. Well, thank you, Mr. Secretary. Thanks very much, Mr. Chairman.

FRELINGHUYSEN:

Mr. Crenshaw?

CRENSHAW:

Thank you, Mr. Chairman. Let me just quickly finish the conversation about cruisers and ask a question. You know, last year we had -- we had to find \$25 billion to take out of our bill to meet all requirements. And in spite of that, there was money left to modernize those seven cruisers.

So you can see from our standpoint, we thought that was pretty important, because it's common sense. If you maintain your fleet without spending a lot of money to buy new ships, you simply maintain, modernize the ships you have. And so I just want to kind of make that clear, that we were pretty clear in our intention.

And I think that your proposal probably is within the letter of the law, but I'm not sure it follows the spirit of our clear intention to say, "Here's seven cruisers. Here's the money to modernize them, and proceed."

So I'm hoping that we can work together, because you won't always be -- all you three gentlemen -- won't always be sitting there. And you say, "OK, we're not really putting one foot in the grave. Nine years, everything's going to be fine."

But I've seen times when the Navy said, "Well, here's an aircraft carrier, and we're going to spend \$350 million to do an availability," which was done, and then they said, "Here's \$400 million to finish the availability."

And then all of a sudden, somebody said, "Well, we need the \$400 million somewhere else. We're going to decommission the aircraft carrier," and \$350 million down the drain.

So I just -- I just want to leave you with that thought that we'd be happy to work with you to kind of understand what our clear intention was. That's just a comment, doesn't require a response.

Here's my question. Want to talk about the Littoral Combat Ships. That was going to be the ship of the future. And we spent a lot of time and energy developing that ship. And then we decided it is the ship of the future, and we're going to build 52 of these.

And when Secretary Hagel was before the subcommittee a week ago, or two weeks ago, I said, "I see where you decided to cut back the number of Littoral Combat Ships, 52 to 32."

And he said, "Well, no, we're not really not going to build the last 20 Littoral Combat Ships. We just are only going to contract the first 32. Then we're going to take another look at the Littoral Combat Ship. Maybe we can upgrade it, maybe we can replace it," whatever.

But I always thought that what we do is we try to figure out what we're going to need, and then to be cost-efficient, we buy as many of those as we think we need. So I guess my question is, if

you decide that maybe it's not exactly what we wanted, somehow you're going to take a second look? I mean, how did you figure out we'll do the first 32 with title and money, and somehow in the meantime, we're going to decide there's a better way to do the Littoral Combat Ship, or maybe even replace it?

It seems to me it's either the ship of the future, or it's not. So how did you decide to say we'll just do 32 of those, and then we'll decide what to do with the next one?

FRELINGHUYSEN:

We need some answers on that. We're -- respectfully, in our first hearing, we didn't get a lot of answers to these questions. So...

MABUS:

Well, I think it's important to...

(UNKNOWN)

If the gentleman would yield, I'd (inaudible) myself of the question just raised by the chair and the gentleman from Florida. I guess I would just add as a -- why buy any more, any more?

MABUS:

Well, I think it's important to look at exactly what the secretary of defense said, which is don't engage in contract negotiations past 32. Well, that will take us almost all the way through this (inaudible) on the -- on the Littoral Combat Ship as they're being built today.

And it's not unusual at all. In fact, we've done it on virtually every ship, to take a look at are we getting the requirements that we need? Are we getting the (inaudible) that we need, or are we getting the survivability that we need?

And we've done it -- the DDG-51s, we're about to start building the fourth consecutive flight of those. And the ones we're building now are very different from the first ones we built. Same thing with the Virginia-class submarines, we're about to begin Flight 4 of those.

So we're taking a look now, and you will -- we will have this answer, you will have this answer - - in order to inform the '16 budget. And the options that he directed me, "Keep building the LCS, build a modified LCS, or a completely new design."

But he also said, "Take into account cost, and take into account delivery time to the fleet," because he said in his statement that we needed to get to this number of small surface combatants to meet our war plans, to meet our presence requirements.

So that's the look that we are -- that we're engaged in now. We will be finished in time to put whatever we find into that. But this is not an unusual thing to do for a class, particularly a new

class of Navy ships. We have just deployed the first one to Singapore, 10- month deployment came back, had an excellent deployment.

We are -- we have block buys for 20. And the last thing I'd like to say is one of the things that I'm very proud of about the Littoral Combat Ship, is that the first of these ships cost north of \$750 million. We've now driven that cost down, so that the ships that are coming off -- we're contracting for now, will cost about \$350 million.

And when you -- when you add the weapon systems and its cost to the cost of the hull, and the fact that you can switch out these weapon systems, the fact that you don't have to build a new ship as technology changes, we're bringing these ships in at pretty close to what Congress was told they were going to cost in 2002, in 2002 dollars, which I think is a pretty remarkable accomplishment.

FRELINGHUYSEN:

I appreciate that. Although, you're suggesting that the deployment to Singapore was an enormous success. I thought it was replete with all sorts of issues.

MABUS:

Any time you have a first ship of a class, we deployed this one early to learn some lessons. But it was available for service at the same rate the rest of the Pacific fleet was available. And it performed all the missions that we sent her out there to do.

FRELINGHUYSEN:

Everything is working well. I've endorsed both models. Why are we working on version 3 here, is the issue of survivability, is it?

MABUS:

Well, if you -- again, it is not unusual to do this for Navy ships.

FRELINGHUYSEN:

I know. This is sort of what makes the committee very exasperated and frustrated. I mean, we look at the Army with a ground combat vehicle, messed around with that. With all due respect, to the expeditionary vehicle, we spent a huge investment.

I mean, these are sort of what we want to try to eliminate, this type of situation here. Jump on your time here, but this is sort of the crux of what we do here. People are looking over our shoulder wondering what's going on here.

MABUS:

Well, as I said, we're driving the cost down on this -- on this ship. And we've gotten it down, and through competition, and through block buys to do that. We are where we need to be in terms of the weapon systems, in their stage of development.

But if you look back...

FRELINGHUYSEN:

Whatever you put on the ships, we're for it. But they could be put on the new model as well.

MABUS:

Anything that you -- that you build, you would -- I mean, you have to be modular going forward, because to build these systems in, and not be able to change them as technology changes, no matter what kind of ship we build, we can't afford to do that anymore.

FRELINGHUYSEN:

Mr. Visclosky?

VISCLOSKY:

And I don't want to impose on the gentleman's time, but as long as we're on that, I appreciate the gentleman raising it. You used an analogy about we have improved the Virginia class, no question about it, carrier, no doubt about it.

But in this case, the secretary talked about the literal survivability of this ship, talked about the lethality of the ship, talked about the concept of operations. This isn't just this is a good ship, we can make it better. And you mentioned that we're hitting a cost target. I'm delighted. But if the ship's not survivable, I don't care if I meet my cost target if it's in the bottom of the ocean.

Maybe we should be looking at that next smaller surface combatant. And you mentioned earlier in your answer we need to get to a number, which raises the earlier question the gentleman also raised. I don't -- I don't -- I'm an accountant, but I don't want to just get to a number.

I want to have a survivable ship for the purpose intended as opposed to one that meets cost that's not survivable, not lethal, and subject to the concept of operations.

(UNKNOWN)

Let me give you two chunks of an answer here. One is I've looked back at reports from GAO and other sources on things like the DDG-51, things like the frigates that we have today.

In -- in nearly every case where we have a new class of Navy ship, there have been questions, serious questions about survivability, about lethality and about concepts of operation. And those ships have obviously met all those requirements.

Secondly, in terms of the concept of operations, that's being developed today. That's what the CNO set up the Littoral Combat Ship Council for, exactly how we use these ships. How do we -- before a conflict starts, we might have one of these out by itself clearing mines or something like that.

Once a conflict starts, it's going to be part of a battle group. We have to protect lots of (inaudible).

FRELINGHUYSEN (?):

It's -- respectfully, if the battle group were just shrinking, and we're not quite sure how many people are -- you know, how many ships we have, we have to make sure the ones we do have are survivable.

I want to yield to Ms. McCollum so that we can keep the questions going here, please.

MCCOLLUM:

Thanks, Mr. Chairman. I want to commend all of you for your commitment to energy security and your support of alternative energy investments. I had the opportunity to see some of that work firsthand in Camp Pendleton with the solar panels and the real thoughtful process that was put into building the new barracks and any rehab that you're doing on base.

But Secretary Mabus, you've been really focused on reducing operational energy costs by shifting the Navy's reliance from fossil fuels to alternative energy. You've had a stated goal of 50 percent of the Navy's total energy coming from alternative sources by 2020.

So I'm hoping that you could further discuss the energy programs that you have in place that will help the Navy achieve this goal. And is the goal still attainable within the top line defined by the control budget act?

So in other words, how much of the F.Y. '15 '20 budget request is devoted to securing these alternative energy resources, as well as energy conservation through smart investments when you're purchasing equipment and rehabbing buildings and ships as well?

MABUS:

It's more important in constrained budget times to do this than it is in unconstrained budget times.

The -- one of the reasons that we're doing it is that in F.Y. '11 and F.Y. '12, Navy got a bill for unbudgeted fuel increases of \$2 billion because of the price spikes in the cost of oil because oil is a globally traded commodity, and any time something happens somewhere in the world there's a security premium that oil traders put on -- on the price of oil.

So it is important that we -- that we move to these alternative sources, particularly in these budget-constrained times, to flatten out that -- those spikes, to keep those spikes from -- from harming the rest of the budget. We are well on our way to meeting -- meeting those goals.

Using the Defense Production Act, we've -- we have four biofuel companies now that we're -- that are obligated as they're moving through the process to provide 163 million gallons of biofuels starting in F.Y. '16 at an average cost of a good bit less than \$4 a gallon.

So in answer to -- direct answer to your question, we're not going to spend any more money on these energy savings things than we would on -- on other things. In terms of efficiencies, we're moving at sea hull coatings, voyage planning, stern flaps, replacing lights with LED lighting onboard ship, simple things like that to bring down the operational cost.

We've built our first hybrid ship, the Makin Island, which came back with almost half its fuel budget from its last deployment. We've also on bases done -- done many of the same things. The final thing is the culture has almost completely changed.

And one of the ways that we're meeting these goals is just because sailors and Marines have come forward with this is a way we can save. This is something we can do. And the Marines I want to say have embraced this more enthusiastically than anybody because they know that if we make energy where we use it, we save Marine lives.

MCCOLLUM:

And General Waldauser did a fabulous job of explaining all the -- all the smart investments. So my point is when -- when we look at the committee at cutting these line items, we're actually having the potential of increasing your future operational costs. Have we not, gentlemen?

MABUS:

Yes.

AMOS (?):

Yes.

MCCOLLUM:

Thank you.

FRELINGHUYSEN:

Thank you. Mr. Calvert?

CALVERT:

Thank you, Mr. Chairman. I was going to get into the George Washington Littoral Combat Ships, but...

FRELINGHUYSEN:

You still can.

CALVERT:

I was (inaudible).

FRELINGHUYSEN:

I think there's more questions to be...

CALVERT:

We may -- we may come back to that. It was brought up that we -- we need contract -- contract reform, and I absolutely agree with that. And I think Mac Thornberry's working on that, and also procurement reform. I think he's working on that also.

But the issue regarding the civilian workforce. As I understand it, the Marines are almost -- based upon the -- the numbers that you gave us, General Amos, you're talking about -- about almost a 10 percent reduction in the core force from 193,000 to 175,000. Army's talking about reductions of -- of exceeding 15 percent. I'm not quite sure where the Navy's going. What's -- Admiral, what's the reduction you're looking at?

GREENERT:

I'll have to give you the specific numbers of civilian personnel, but we're reducing our headquarters, a lot of them...

CALVERT:

How much of that on military uniform...

GREENERT:

(Inaudible) 23 -- 23 percent. Pardon me?

CALVERT:

On uniform personnel, what percentage?

GREENERT:

The vast majority are civilian and contractor. I'll give you the numbers and breakdown, but I can tell you right now a very small number of military comparatively.

CALVERT:

Well the -- I want to make sure that everyone understands that we're not targeting depots or people who are performing tasks that are necessary to the United States government. What we're looking at is giving managers the ability to evaluate performance and make sure that we keep the best and the brightest people in the civilian workforce.

And -- and this isn't something that came out of whole cloth. This is people that you know, and I know you talk to, that believe that -- that the civilian workforce ratio is out of whack and it needs to be taken a serious look at.

And you need to have the tools because, like Marley's ghost, you've been hauling around chains and -- from previous administrations both Republican and Democrat, task forces, commissions that never dissolved, employees that are around that have not been able to be changed.

And -- and that is not acceptable, especially when many of these employees are up for retirement. As I understand, there's a significant number of employees at the department that are up for retirement at this point. And so that kind of -- what I would call (ph) as an employer some of the low-hanging fruit out there. But you don't -- and I understand you don't have the tools.

Well that's what we're trying to do, is provide the tools for managers to make decisions that have to be made. Rather than cutting Marines and Army and Navy personnel, uniformed personnel, you can also look at the civilian personnel the same way you're looking at uniformed personnel because it's easier to cut military personnel than it is civilian personnel, or it's easier in the problem that was also discussed on procurement.

I mean, this -- it is, as the chairman pointed out, embarrassing. Billions of dollars that we have spent in Army programs, Navy programs, Marine programs and -- that -- that is gone money that you could -- you really wish you had right now.

So all of those things have to be done in order for us to make sure we maintain our readiness, to make sure we maintain the personnel that you want to maintain, the platforms, the economies of fuel and so forth that you want to do. But I just (inaudible) make a comment on that, Secretary, go ahead.

FRELINGHUYSEN:

A brief comment, and then we're going to go to Mr. Ryan.

MABUS:

Well the only comment I wanted to make is you're absolutely right about the procurement reforms. And I think we've done a lot. And in terms of some of these programs, we killed them.

If it was not given us what we needed or if it was too expensive or if it wasn't going to perform in -- in the way that it should, we killed them.

And we have I think, and I'm very proud of the fact, we have driven down cost all across every one of our procurement programs. And we've done it by pretty simple business things. Putting competition back in, using firm fixed price contracts, just driving harder bargains and keeping a closer eye on tax money.

And thanks to this committee and thanks to Congress for giving us some of those tools to be able to do that. And I do appreciate the tools whether it in the military, in the civilian workforce or in procurement. And in answer to the number of Navy people, our numbers will stay essentially the same over the -- over the (inaudible).

FRELINGHUYSEN:

(Inaudible) pretty much numbers.

Thank you, Mr. Calvert.

Mr. Ryan, then Mr. Cole.

RYAN:

Thank you, Mr. Chairman.

I have a question for each of you on the issue of suicide in the force. And this is an issue that the committee is -- continues to deal with, and we know that you continue to deal with, as well -- too high, too many; still happening.

And lots of programs -- 123 programs in the -- in the Navy alone designed to improve resiliency or prevent suicide. But it's really unclear how many of them are actually effective.

So, what kind of metrics are you using and are being used to measure the effectiveness of these programs, given that we don't seem to be making much progress in tackling the issue? That's for the secretary.

And then to the admiral and General Amos, if you could talk about what mental health services are available to your sailors and Marines prior to deployment while in theater and then upon returning, in which programs -- which of those programs do you see as really having merit and ones we could move forward on?

MABUS:

The way we're measuring it, Congressman -- and we saw the same thing you do; that we had 123 of these.

I set up something called 21st Century Sailor and Marine to tackle all the issues of resiliency that the force faces. And as part of that, there is a task force looking specifically at suicide.

We don't need 123 programs. We just need some effective programs.

And we're actually -- and one is too many. But in F.Y. '13 for both the Navy and the Marines, suicide numbers came down I believe in each -- each single month, and I know over the -- over the course of the year.

We're doing -- we -- we think we're beginning to get traction on things like educating sailors and Marines on warning signs of their shipmates; on -- we have travel teams now that go out to do this -- this sort of training; on bystander intervention; on making sure that as the commandant and the CNO will talk about, that people are willing to reach out and seek help -- that there's no stigma to -- to receiving that help; and that -- that we -- that we watch very closely whether the stress on the force has anything to do with it.

The last thing I will say is that one of the -- there seem to be three common denominators in most suicides -- one of these factors or more: relationships, finances and alcohol -- and/or alcohol.

And so, we're -- we're trying to move on the alcohol part, but also on the other two, in terms of warning signs and -- and when a shipmate needs to intervene.

FRELINGHUYSEN:

If -- very briefly, because we want to sort of have some sort of exit time in -- in the near future...

GREENERT:

Regarding mental health, we have a pre-deployment survey -- everybody takes it before they deploy. It's done, if you will, quietly; if you will -- you fill out of the form, say what you want.

And you -- the point is, here are your options. You can go to a non-clinical counselor. I've -- they're on all our bases.

I've seen these. This -- this is not a fleet and family service center, even; it's not in the hospital. You can go down there and talk about it with somebody -- chaplain or whomever.

You could go to the fleet and family service center where you have a counselor -- again, non-clinical or clinical. Or you could go to the medical treatment facility.

When one returns from deployment, you fill out a post-deployment health survey. How do you feel? It's anonymous, like the pre- deployment. Do it again in about 30 days and you do it -- 90 days, excuse me -- and then in about six months because, as you know, these things sometimes take time to manifest themselves.

Those are all available. Again, you -- non-clinical or clinical.

Now, if you fill out the form and it -- and it's obvious, each of those post-deployment and pre-deployment, they're screened by a medical officer to see if there's something consistent here or, you know, alarming. And you say, well, we need a clinical consult, at least in this case.

So, there's a pre and a post. And we're getting good use out of these non-clinical. Our sailors -- I saw a few of them. Kids come in; they're very comfortable. You don't have to get an appointment.

And the whole idea is the stigma -- get over the stigma, go in and see someone. It's OK to not feel OK.

And Congressman, that's what we've got to continue to drive home. The non-clinical aspect is reaching (ph) some pretty good results.

The 123 programs -- I agree with you. That's where we were. We -- we have -- to the secretary's point, the 21st Century Sailor -- a task force called Resiliency.

How do you make the sailor more resilient? Get these programs focused onto the ones that get to the point. You know -- how do you get a job, deal with debt, deal with marital problems that we all have, substance abuse -- whatever it may be -- and -- and bring them into something more coherent.

AMOS:

We are, sir. We've got -- the thing we have, we've got embedded mental health providers in our forward deployed combat units and special training for -- for a whole host of folks, and I'd be happy to talk to you about it offline, sir, if we're out of time.

COLE (?):

(OFF-MIKE)

FRELINGHUYSEN:

Mr. Womack, almost batting clean-up. Go right ahead.

WOMACK:

Well, thank you.

I -- I want to address these questions to the chief of the Naval operations, and more concerning the pivot to the Pacific.

You know, we've been tied up in a -- in a decade-plus long war in landlocked nations. And now we're pivoting to a -- an area that -- that is extremely vast, in terms of -- in terms of water.

What kind of technologies -- and specific maybe to the MQ-4 and the -- and the UCLASS programs -- what kind of technologies is the Navy investing in?

And if I might, just kind of add to the -- to the question, to lengthen the question a little bit, more about -- back to what we were seeing earlier about LCS, the measure twice, cut once kind of thinking. Are we -- are we doing the right thing? Are we on the right track?

It seems like in -- like particularly in the UCLASS program, it's extended a little bit. The timelines have moved.

Help me understand this pivot to the Pacific and what we're trying to do to extend our capability in that region.

GREENERT:

I happen to have -- I happen to have a little charlet here for you, and it's all about the Asia-Pacific rebalance; right in front of you, underneath your -- your iPhone there.

It's about forces and capabilities and what I call understandings. So, I'll focus on your question, which I think is forces and capabilities.

So, we've talked about, I think, in this committee before homeporting (ph) ships 60 percent to the west, 40 percent east, and moving that.

We are growing our forward presence, no matter what the budget. I mean, whether we go to the Budget Control Act or not, we must grow as we do this rebalance.

But we have to have our most modern forces out there. So, that gets to the force structure, which brings you the capability to the UCLASS -- Unmanned Carrier -- Carrier Landing -- excuse me -- Surveillance and Strike.

And the point here is we want to make sure that what we bring into the fleet has the -- the means to grow, has appropriate observability; RED (ph) stealth; can carry a proper payload (ph) to deliver an effect RED (ph) weapon that has the right kind of sensors -- has enough fuel so that it has persistence.

Balancing all of those -- and I underline -- the ability to grow in each of those key performance parameters. That's what we're having this lengthy discussion which, as you said, we're measuring again twice before we build so that we get what we -- what we need, and again, it can grow out there.

So, what we want -- we need this by the end of the century and -- decade -- excuse me. And what we want to do is bring this to the Western Pacific.

We talked about the Joint Strike Fighter -- the sea version. That will deploy to the Western Pacific first for us -- 2020 -- 2019, 2020 is our goal there.

Other capabilities -- unmanned underwater vehicles. We have a host of them out there today that -- that industry and our Office of Naval Research has brought.

We need to neck (ph) those down and bring autonomous unmanned underwater vehicles -- large ones; large diameter -- about three times the size of this open area here you see in front of you -- so that we can then put them on patrol.

Again, I want to do this. We've got to do this by about the end of this decade, because we have to own the undersea domain like we do today. We have superiority in it and we need to bring that.

Other issues become -- electronic attack; the electromagnetic spectrum. Our potential adversaries are going to higher frequencies -- that's outside what we're -- our sensors detect.

They're changing their sensors on their weapons. We need to be able to detect them so that we can spoof (ph) them, jam them or shoot them down.

They're lower power -- so, we need to be -- have more -- more sensitive sensors. These are the electronic warfare, the electronic -- the electromagnetic spectrum war (ph).

We need to be able to jam -- not just radars, but series of radars so that we can get where we need to get. That's -- that's access; some call it anti-access area-denial. To me, it's joint- assured access in the amount of time we need and for as long as we need.

So, these are the sorts of technologies -- and of course cyber. We need to be able to get into -- to protect our networks, know if anybody's in our networks, and then get in other networks to the degree we need to and do what -- what the combatant commander and what the nation wants us to do in there.

WOMACK:

Quickly on the -- on the Growler, you had a -- an unfunded priority for an additional nearly two dozen. Speak to me about the -- the EA-18.

GREENERT:

Well, the EA-18 -- if -- if you look at the Air Wing of the Future, we spoke earlier about the E-2D -- that's the Hawkeye; that's the big radar; that's the manager of the air wing.

And the E-2D is awesome. It can -- it has an extended range; it has a -- a -- ability to find very, very small objects; and mostly, network -- bring that together. So, that's your manager.

But you got to get in. And I lot of what we're about on the future, as I mentioned, is electromagnetic spectrum. And -- and we've got to jam, spoof (ph) and depress as necessary -- so, the Growler's got to get us in there.

Our adversaries and potential adversaries and -- and technology -- advanced radars, I kind of mentioned it. Many bands -- X-band is your lower frequency, and that's your original in detection; but then you got S-band and -- and other bands to target.

We got to understand all of that and we got to operate in it and jam it. So, the -- the Growler of today, the -- what we have in the air wing today on the program of record is the minimum requirement; that's fine for the missions that -- that we have today.

But as we look up and as we've done studies and looking to the future -- and we are the DOD electronic attack source.

I view it as increased risk and a hedge as we look at the Growler line potential closing.

So, for me, I ask -- discussed with Secretary Mabus and put it on the unfunded requirement list as a risk reducer and as a hedge, which is what the -- the request to us was. Show me what you need for programmatic (ph) reasons (ph) and operational risk reduction.

FRELINGHUYSEN (?):

Thanks...

WOMACK (?):

Sir (ph), you (ph)...

FRELINGHUYSEN:

I thank -- unless you wanted to...

WOMACK:

One of the E-2D Hawkeyes is being cut. I mean, if it's important, it might be something to think about.

GREENERT (?):

Absolutely. I mean, I don't like that anymore -- as Secretary Mabus spoke earlier of other programs -- (inaudible) protect the IOC, the initial operability capability. But we need to -- I mean, more capacity is definitely there. Totally about money, Congressman.

FRELINGHUYSEN:

Thank you, Mr. Womack. And gentlemen, don't underestimate the committee's interest in the issue I raised in my opening statement. Misconduct, it's way beyond, you know, what's unbecoming to an officer. But sometimes the public's perception of our remarkable people who serve us, sometimes it's framed by the bad acts of a few that we condemn.

And I understand the issue of, you know, command influence. But it's time we get -- there's some consequences for -- I think I'm especially appalled, since I know, Admiral, you're a submariner. Admiral Rickover would be turning over in his grave if he knew that we had that recent incident in Charleston.

I think we need some level of assurance, and I'm sure we're getting it from you, just looking at you. This is an area that will be -- will be addressed.

GREENERT (?):

Yes, sir. The investigation regarding that is almost complete. Admiral Richardson is spearheading that. He's our director for Navy Nuclear Propulsion. He'll be ready to brief you in a matter of a week or two.

As I said, the investigation is complete. And more importantly, where do we go from here? What is inside the heads of these kids? These were not poor performers. These were people making choices...

FRELINGHUYSEN:

They're kids, but these kids have leadership above them. And we -- you know, we work with Admiral Donald. We're working with Admiral Richardson.

And sometimes, you know, the people who are in charge of the program do bear some responsibility. It's not just the kids at the lower rung of the ladder. And since the safety of those subs depends on every, you know, every submariner, it's important that we get the situation corrected.

GREENERT (?):

Sorry, Chairman. Everybody's a kid to me when you're at this point in my career. But I know what you mean, and I completely agree. All levels of leadership.

FRELINGHUYSEN:

On behalf of the committee, we thank you, gentlemen, for your service, and those that you represent. We stand adjourned.

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